Alberta

Weekly Economic Review November 20, 2009

Price Indices

Consumer Product Index turns positive…

For the first time since March, Alberta's year-over-year inflation rate increased to 0.1%. This modest rise in the CPI can be attributed mainly to less downward pressure on gasoline prices in October (-18.0%) than September (-26.0%). Excluding energy (one of the most volatile components of CPI), inflation in Alberta was 1.9%.

Nationally, consumer prices were also up 0.1% year-over-year. Despite the slight upturn, inflation is expected to remain subdued due to the existing slack in the economy.

Pair of price indices remain negative…

The apartment construction price index posted its fourth straight decline in both Calgary (-2.0%) and Edmonton (-0.4%) in the third quarter.

The Non-residential Building Construction Price Index also recorded a decline between the second and third quarters in both Calgary (-1.5%) and Edmonton (-0.4%).

Existing Home Sales

Sales take a step back while prices increase…

While existing home sales in Alberta declined between September and October by 5.3% to a total of 4,978 units, this still represented an increase in sales of 29.6% from October 2008. The average price of a single-family home in Alberta was $351,091 in October, an increase of 1.3% from September and 2.6% from October 2008.

Canadian Dollar (US¢/CS)		
	November 20, 2009	93.49
	November 13, 2009	95.17
	2009-10 YTD	89.82
WTI Oil US$/bbl		
	November 19, 2009	$ 77.46
	November 12, 2009	$ 76.94
	2009-10 YTD	$ 66.89
Nymex Natural Gas CS/MMBtu *		
December Contract		
	November 20, 2009	$ 4.62
	November 13, 2009	$ 4.68

*Estimate based on Nymex Futures Market Price

Manufacturing Shipments

Modest slump in September…

Manufacturing shipments in Alberta declined by a modest 0.4% (seasonally adjusted) in September, a slight deterioration from the 4.7% gain recorded a month earlier. Major industries represented this mixed data as sales in the petroleum and coals products industry increased, but those in machinery manufacturing declined. On a year-over-year basis, manufacturing shipments were down 29.3% from September 2008.

Wholesale Trade

September sees slight decline in sales…

After suffering a 1.6% (seasonally adjusted) decline in August, Alberta's wholesale trade registered a minor drop (-0.1%) in September. Canadian wholesale trade was up 0.2% (seasonally adjusted).

Insolvency Statistics

Personal bankruptcies jump up …

Bankruptcies in Alberta increased significantly in September with the number of filings up 283 (31%) from August and 640 (115%) from September 2008. Most of this increase was the result of a 637 filing (114.4%) increase in consumer bankruptcies from September 2008, as business bankruptcies increased by only 3 (19.4%) to 35. Alberta registered 3.80 consumer bankruptcies per ten thousand people in September, a little above the national average of 3.65 consumer bankruptcies per ten thousand.

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CURRENT ECONOMIC INDICATORS

Overall Economy	2007	2008	2009YTD*	May	Jun	Jul	Aug	Sep	Oct
Real GDP (in 2002 $billions)	185.9	185.8	--	--	--	--	--	--	--
% change	2.5	0.0	--	--	--	--	--	--	--
Nominal GDP ($ billions)	256.9	291.3	--	--	--	--	--	--	--
% change	7.7	14.1	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,513	3,596	3,688		--	3,688	--	--	--
% change	2.7	2.4	2.6	--	--	2.6	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	15,317	23,006	--	--	4,737	--	--	--
Net International Migration[1] (level)	16,372	20,039	20,074	--	--	6,089	--	--	--
Net Non-permanent Residents[1] (level)	14,105	18,536	19,058		--	2,594	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,991	1,994	1,990	1,986	1,979	1,982	1,967
% change	4.7	2.8	-1.2	-1.1	-1.6	-1.6	-1.6	-1.9	-3.4
Unemployment Rate (%)	3.5	3.6	6.4	6.6	6.8	7.2	7.4	7.1	7.5
Average Hourly Wage Rate	6.0	5.7	4.8	5.0	6.2	4.6	5.9	3.7	3.9
Average Weekly Earnings[2]	5.8	6.0	4.1	4.9	3.4	4.1	2.0	--	--
Labour Income[3]	10.5	8.7	3.1	2.4	1.2	--	--	--	--
Price Indices									
Consumer Price Index NEW!	5.0	3.1	-0.3	-0.7	-1.6	-1.5	-1.7	-1.1	0.1
Excluding food and energy NEW!	5.0	2.1	1.5	1.7	1.6	1.4	1.3	1.4	1.8
Non-Res. Const. Cost Index[4] (quarterly) NEW!	17.4	13.2	-9.3	--	-11.3	--	--	-14.8	--
Farm Product Price Index	15.1	11.2	-9.4	-8.6	-16.2	-16.6	-17.6	--	--
Crops	434.0	26.2	-23.1	-25.5	-29.0	-26.6	-25.4	--	--
Livestock	0.6	2.3	2.5	0.6	-5.6	-9.7	-14.6	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	17.6	14.2	20.0	19.3	20.1	22.6	25.0
% change	-2.1	-39.8	-42.8	-55.6	-12.7	-32.0	-13.7	-6.2	-0.8
New Housing Price Index	22.5	0.7	-9.6	-9.8	-9.8	-9.3	-8.9	-8.9	--
Edmonton	32.1	1.0	-11.6	-11.7	-11.7	-11.1	-11.4	-11.4	--
Calgary	16.2	0.6	-7.4	-7.9	-8.0	-7.3	-6.3	-6.4	--
MLS Average Resale Prices NEW!	24.3	-1.4	-4.6	-5.8	-4.6	-2.4	0.2	1.3	2.6
Edmonton NEW!	34.3	-2.0	-4.5	-4.2	-3.8	-3.1	-3.3	0.7	0.4
Calgary NEW!	18.7	-2.9	-6.2	-8.7	-6.3	-5.2	-0.4	1.1	2.9
Retail Sales	9.3	-0.1	-10.1	-11.0	-7.2	-8.4	-10.3	--	--
New Motor Vehicle Sales	3.3	-7.3	-24.4	-27.8	-22.2	-18.6	-20.6	-15.6	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-50.7	-39.2	-56.3	-66.2	-62.7	-54.1	-50.9
Goods Exports (customs based)	5.3	34.3	-39.6	-50.2	-37.1	-46.7	-42.9	--	--
Energy	4.4	42.5	-45.6	-58.7	-40.9	-51.8	-45.6	--	--
Agriculture	9.8	27.8	0.5	-13.7	4.4	-4.1	-7.5	--	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	--	-10.3	--	--	--	--
Manufacturing Shipments NEW!	1.1	7.0	-23.9	-27.4	-26.9	-32.8	-25.8	-29.3	--
Wholesale Trade NEW!	5.0	10.9	-13.0	-20.9	-11.6	-16.8	-22.5	-20.5	--
Building Permits	13.4	-16.5	-32.1	-18.5	-25.2	-29.8	-7.6	-8.0	--
Residential	10.7	-31.5	-28.9	-49.1	-17.8	-9.5	39.1	40.8	--
Non-residential	17.1	3.7	-34.9	13.0	-31.0	-46.1	-46.9	-46.1	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).2009 YTD population numbers are for the census year of 2009

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	**0.4%**	0.5%	0.5%	2.2%	0.0%	1.0%	-0.5%	2.0%	4.2%	**0.0%**	0.0%
2009	**-2.3%**	-3.6%	0.9%	0.4%	0.4%	-1.4%	-2.9%	0.5%	-2.6%	**-2.6%**	-2.0%
2010	**3.0%**	-0.5%	1.8%	1.9%	2.0%	2.4%	3.2%	2.5%	3.7%	**3.0%**	4.2%
Population (As of July 1, 2009)											
Population	**33,739,859**	508,925	140,985	938,183	749,468	7,828,879	13,069,182	1,221,964	1,030,129	**3,687,662**	4,455,207
Annual Growth Rate[a]	**1.2%**	0.5%	1.1%	0.2%	0.3%	1.0%	1.0%	1.3%	1.6%	**2.6%**	1.6%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		-528	-291	-1,794	-908	-11,682	-14,750	-3,703	4,171	**15,317**	14,643
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
Employment											
Level Change (000s)[b]	**-361.3**	-6.2	1.4	-3.7	2.0	-54.4	-18.2	-1.4	-1.0	**-68.8**	-47.7
Percent Change[b]	**-2.1%**	-2.8%	2.0%	-0.8%	0.5%	-1.4%	-2.7%	-0.2%	-0.2%	**-3.4%**	-2.1%
Unemployment Rate, 2009 avg (SA)	**8.2**	15.5	12.3	9.2	8.9	8.5	9.0	5.1	4.8	**6.4**	7.5
Participation Rate, 2009 avg (SA)	**67.3**	59.2	67.9	64.6	64.7	65.3	67.4	69.4	70.2	**74.4**	65.9
Average Weekly Earnings											
August 2009	**828.14**	801.62	697.11	736.31	757.88	764.57	853.43	771.59	808.82	**941.80**	802.70
Y/Y Percent Increase[c]	**2.1%**	3.9%	4.3%	3.0%	2.8%	3.8%	1.8%	2.0%	1.6%	**2.0%**	0.2%
2009 Wage Settlements (Jan-Aug)										**2.0%**	
CPI Inflation											
October Annual NEW!	**0.1%**	-0.4%	-0.8%	-0.4%	0.5%	0.5%	0.2%	0.1%	0.3%	**0.1%**	-0.6%
Excluding Shelter	**0.7%**	0.3%	0.8%	0.3%	0.9%	0.6%	0.9%	0.3%	0.5%	**1.3%**	0.3%
Housing Starts (000s)											
SAAR October 2009	**157.3**	2.9	1.2	4.0	3.6	37.2	57.6	4.2	3.6	**25.0**	18.1
Retail Sales											
Percent Change[d]	**-4.9%**	-1.7%	-4.1%	-1.9%	-2.0%	-2.3%	-4.5%	-1.8%	-3.5%	**-10.3%**	-7.6%
2009 YTD Retail Sales Growth	**-5.3%**	1.2%	-2.1%	-2.1%	-2.2%	-2.8%	-4.9%	-2.8%	-3.4%	**-10.1%**	-8.7%
Manufacturing Shipments											
Percent Change[d] NEW!	**-17.2%**	-16.7%	-3.4%	-19.8%	-22.7%	-18.6%	-13.3%	-15.8%	-6.5%	**-29.3%**	-18.1%

a. Over the past 12 months
b. October 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to August 2009
d. September 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada